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PROGRAM Face the Nation STATION WDVM-TV CBS Network

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SUBJECT Director William Webster

GEORGE HERMAN: FBI Director Webster, there seems to be an enormous rash of expelling Soviet spies, from Australia, from Canada, from Italy, from France, from West Germany, and now a few from the United States. I guess what I'd like to know is whether you think this represents a new, sort of desperate, rash increased activity by the Soviet Union's espionage network, or is there some kind of an agreement among the alliance that now's a good time to make the Russians look bad by throwing them out everywhere?

WILLIAM WEBSTER: I can't speak for the foreign policy implications, and I don't believe there's any orchestration. It just so happens that in this country there was a time to make a public accounting for some activities that could properly be made public at that time. And other nations have seen fit to take other types of activities.

These are going on all the time, in lesser or varying or increasing degrees, in different countries. It's just the capacity of the country or the intelligence agencies to make a particular activity public that seems to have coincided in what you've seen in the last few weeks.

ANNOUNCER: From CBS News, Washington, a spontaneous and unrehearsed news interview on Face the Nation with William Webster, Director of the Federal Bureau of Investigation.

Judge Webster will be questioned by CBS News law correspondent Fred Graham, by CBS News Justice Department reporter Rita Braver, and by the moderator, CBS News correspondent George Herman.

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HERMAN: Judge Webster, correct me if I'm wrong. But it seems to me that implicit in your first answer was the idea that you don't just expel a spy from another country -- in this case, the Soviet Union -- exactly when you get the evidence, but that there is some political or strategic angle to it. It is done when it serves the purposes of the United States, rather than just when you have amassed enough evidence. Am I right about that?

WEBSTER: That's exactly right.

HERMAN: Could you dilate on that a little bit for me?

WEBSTER: All right. Well, first there are foreign policy and national security considerations, concern for possible retaliation, the effect on our own intelligence-gathering activities worldwide.

Secondly, within this country, and in furtherance of our own counterintelligence responsibilities, whether or not that public disclosure would reveal or identify an ongoing and important investigative capability that we have, the use of our double agents or recruited intelligence officers in place, that sort of thing.

Further, the question of whether or not these people, if they're expelled, will be replaced by people that would be more difficult to identify; and whether or not our neutralizing activity, which is a technical term, in which we, by embarrassing them, by staying close -- in close link, surveillance with them, make it impossible for them to be effective.

RITA BRAVER: Judge, in the new FBI budget you've asked for a lot more money for counterintelligence. How many Russian spies or how many Soviet and other satellite nation spies do we believe to be in this nation, and why do we need more money to combat them now?

WEBSTER: Some of these figures are classified, and so I have to use some round numbers. But there are about 3000 Soviet, Soviet bloc, and Soviet-aligned diplomats in this country. We have been able to identify -- and for a rule of thumb, one out of three, roughly 30 to 35 to 40 percent, at varying times, have intelligence responsibilities, intelligence training and intelligence assignments. That's a large number for us to keep track of.

It used to be that, in years past, that the FBI, which has the responsibility for counterintelligence in this country,

had a much larger ratio of agents to keep track of those identified and known intelligence officers. And that number has shrunk to an unacceptable level, largely due to decline in FBI resouces, in terms of personnel, over the last several years, almost 800 agents since 1976, and an increase in the number of Soviet, Soviet bloc diplomats in this country. It's a matter of presence and our capacity to keep track of them.

FRED GRAHAM: Judge Webster, why don't you just move in and throw them out wholesale?

And as a follow-up, why the three that you did? Why not more arrests?

WEBSTER: Well, I think I answered the first question, Fred, by saying that there are other considerations besides our own intelligence responsibilities. In many cases, to come in and throw somebody out would disrupt an ongoing effort to penetrate the intelligence apparatus of these hostile intelligence services in this country. In other cases, for foreign policy reasons or for national security reasons, other agencies of government have asked that we not do so.

In terms of the three that you've asked about, they happened to coincide within a two-week period. In none of those cases were there any internal areas to protect. We could make a public disclosure. And in clearing it with the Department of Defense, CIA, Department of State, it was felt that our national interest abroad would not be adversely affected.

So, we were capable of showing within a two-week period the activities of a known KGB operative, the activities of a known military or GRU operative, and the activities of an academic exchange making contact with staff members -- a staff member on Capitol Hill.

GRAHAM: Was this directly related to the kicking out of the American, Osborne, from Russia?

WEBSTER: I don't think it was directly related. But I think -- I'm sure that for the other agencies that considered this, the fact that the Russians chose to publicize the Osgood case certainly had some impact on their judgment. Not on ours, but on theirs.

HERMAN: Judge Webster, let me see if I can flatten one of your round numbers a little bit. You say anywhere from 30 to 40 percent of these diplomats from the Soviet bloc are involved in espionage. Do you know which 30 or 40, which 1000 of them?

WEBSTER: Yes. When I speak of that round number, those

are people we have actually identified as known intelligence officers. In some cases, they're suspected. But we actually have identified.

HERMAN: And there's one thing that, it seems to me, you sort of glaringly left out of your original list of reasons why you might not want to throw them out, and that is the capability of feeding them what is rather oddly called disinformation. In other words, misinformation that you want to get back to the Soviet Union.

Is that part of the FBI's job, or does somebody else handle that?

WEBSTER: Well, much of that is coordinated with other agencies. And some of the information is used, through double agents, in order to follow the course of the activity, to determine what the intelligence officers are actually interested in, and thereby to be better able to protect those national secrets.

HERMAN: That's part of your job.

WEBSTER: That's part of our job.

GRAHAM: How many do you think there are you don't know about?

WEBSTER: Well, if I knew, I'd give you a full number.

BRAVER: What kind of information are they after now, and how has that changed over the last few years?

WEBSTER: Well, they are after, basically, the same things: military secrets, of course; military strategy, political strategy.

The area that we see a heavier concentration of effort in is in high technology, particularly laser technology, computer technology, microtechnology, and the productive -- the production systems that go with the technology itself. There's a broad effort not only to steal the secrets, but also to obtain samples of the products, through diplomatic pouches, by transshipment of products that go from a non-embargoed country and are transshipped to the other satellite or bloc countries. But the production...

HERMAN: Do they have an operation -- excuse me.

WEBSTER: The production capacity doesn't go with the product. And so they are very much interested in trying to

develop the means of production.

HERMAN: Do they have an operations section among these espionage agents in our country, similar to what the CIA has shown, in trying to get itself involved in a peace movement, the nuclear movement? Are some of these people that you're watching involved in manipulating and operating, rather than just information-gathering?

WEBSTER: I think that would be a fair statement, but I don't want to go too much into the details. You're talking about active measures. That's a technical term that we use...

HERMAN: Are some of them -- some of them are doing that.

WEBSTER: Yes.

GRAHAM: Are any of them affecting domestic groups, such as the anti-nuclear groups?

WEBSTER: Well, of course, that creates the potential for a political brouha, to make any kind of comment upon the degree of effect.

We've given the Intelligence Committees of the House of Representatives and the Senate our assessment of the level to date, and some of those -- the declassified portion -- rather, the unclassified portions of those assessments have been made public. And I think...

HERMAN: They are confusing.

WEBSTER: I realize they're confusing, because those who are commenting on them read into them what they choose to read. And I think that I can state that our assessment, as reported --within the lines of what's been reported publicly, that to date, we see no indication that the Soviet active measures have resulted in gaining control over the operational aspects of the mainline organizations within the nuclear freeze movement.

That is not to say they have not been trying diligently, assiduously, and by a number of techniques, including the use of funds, to have an impact on the movement. It coincides with their own foreign policy to do so.

HERMAN: So there is some Moscow gold in some of these movements.

WEBSTER: Oh, yes.

GRAHAM: But you're saying they're trying but not succeeding.

WEBSTER: Well, we're taking a benchmark of where we are at the present time. And we do not see that at the present time they have succeeded in taking over an organization, such as, I think, history records they were successful in taking over the America First movement during World War II.

But the effort is there. And membership on various organizations, various groups within the peace movement are Soviet-controlled. But the overall freeze effort does not seem to us to have been dominated by or successfully manipulated. That's as candid a statement as I think I can make.

GRAHAM: On a somewhat related matter, Judge Webster, is there any evidence that the Castro government is trafficking in drugs?

WEBSTER: There's been a lot of talk about this, and some writings in the press, based largely on one or two specific sources of information. We have been watching this very closely, as has the Drug Enforcement Administration. We're making our own assessments of the reliability of the information that's been developed in this area.

I think the most that can be said with certainty is that some drug traffickers have enjoyed a degree of safe harbor, in terms of ships and supplies pausing in Cuba. As far as the extent to which the Cubans are trying to erode our national resolve or character by filling the country with drugs and so forth, I think you have to say that, at least at the present time, that does not deserve any public confirmation by official sources.

BRAVER: What about your approach to the whole drug problem now? The FBI has been involved for over a year. We've seen lots of huge hauls of drugs, and every day we read about a bigger one. You can't seem to get the problem under control. What are you doing now to try to make things better?

WEBSTER: I think you're aware, first, of the realignment between the Drug Enforcement Administration and the FBI. That brought the FBI into drug enforcement for the first time in its history. In less than a year, we developed over 1300 quality investigations directed at criminal enterprises. Not just individual street busts, individual purchase cases, but enterprises, the apparatus, the drug cartels from outside the United States and the organized crime interests within the United States. Of those 1300 cases, 300 of them are being operated jointly with the FBI -- with the Drug Enforcement Administration.

And there have been over 300 convictions in what I call quality cases, organized crime cases, financial...

BRAVER: Is the DeLorean case a quality case, and are you trying to make examples out of celebrities here?

WEBSTER: I'd rather not comment about a case that's still in the courts. Certainly, the drug apparatus associated with that case is a quality investigation.

HERMAN: Are we getting a handle on the drug problem? I mean it's odd that we keep reading about bigger and bigger drug seizures, and on the other hand we read from the FBI's preliminary report that serious crime is down.

WEBSTER: The supply is still there.

Well, serious crime relates -- and we can come back to that. Serious crime relates to state-type crimes rather than specific drug enterprises. You may have people committing crimes because they're drug addicts, but specific drug crimes are not in that index.

The drug task forces that have been established by the President, under the supervision of the Attorney General, are just coming into play, which will provide an additional influx of new resources, almost $200 million of new resources, new agents, additional agents in place, additional and badly needed equipment that we've not had in the past to deal with this problem. And I think we'll see something there.

The President's also announced a new interdiction program, which will involve the FBI on the intelligence side, but much less so than the Customs and other agencies concerned with interdiction.

HERMAN: Let me get you back to the crime figures. Because, you know, what one reads in the local papers every day is that more burglaries were committed to support a drug habit. Now we see, in your preliminary figures, that burglaries are down ten percent, which is an enormous figure.

Now, is that an anomaly in your statistics, or is there a real diminution of this crime? And does it indicate anything about the drug habit in the country?

WEBSTER: I don't think that we've drawn any correlation between the drop in the crime rate in 1982 and drugs itself. The only major crime -- there are seven major state-type or street-type crimes involved: rape, homicide, robbery, burglary, theft, arson, and so on. Aggravated assault is the only one of those

that continued to rise. And so I suspect that you would find, if we did an analysis, that among the aggravated assaults you would find quite a few of those that are drug-related.

GRAHAM: But in general, why do you think crime is going down after all these years of going up?

WEBSTER: Well, we have a lot of figures about crime. And I have been tasking our analytical groups to come up with more and more assessments of what causes crime to go up or down in a particular situation. I don't think any of us, frankly, have the answer.

We know, for instance, that in the course of a year, the first quarter of the year is always the lowest time for crime, the third quarter is always the highest. And the only thing that you could find there is the weather. There are more criminals on the...

HERMAN: You don't think it's preparation for income taxes.

WEBSTER: I don't think so. No, I don't think so.

But in terms of longer periods, we've had two periods in which crime has leveled down, has dropped ('72, '77) until this year. It's been an undulating pattern going upward.

Clearly, it's going down at this point. The four percent is significant. We hung at -- 1980 was our all-time high for crime rates, and in '81 it was just about the same. And this represents a four percent crime drop.

Some people believe that it has a correlation between the baby boom. Most crimes in this category which we measure, street-impact crimes, occur between the ages of 15 and 24. Now, the baby boom has moved over into older people.

But we're also finding, on a smaller scale, a larger number of older people committing crimes than at any time that we have experienced in the past.

BRAVER: Judge, one of the kinds of crime that we're hearing less about domestically, certainly, is terrorism. At the same time, you talk a lot about terrorism and your worries about increase in that area. What makes you do that?

WEBSTER: Well, first let me say that I feel very good about the way the United States has dealt with the problems of terrorism in this country, compared with the problems of terrorism worldwide. You have about 780, I think, terrorist

incidents worldwide, compared with 51 in the United States. About 40 percent of those worldwide terrorist incidents were directed against United States targets, U.S. companies, U.S. citizens, diplomats, and so on. In this country, we had 51. That compares with about, I think, 42 the year before. And our lowest, the year before that, was 29. But in previous years, they'd been running about a hundred a year.

Now, in looking at the 52 incidents, or 51 incidents, you see seven people killed, 26 people injured. That's higher than we've experienced in the past. There is a greater willingness among the terrorist organizations that are functioning in this country to waste human life than we have seen in the past.

BRAVER: What makes you say that?

WEBSTER: The numbers.

BRAVER: Just -- I mean...

WEBSTER: The numbers, and the purposeful killing. The assassination of Turkish officials in this country by Armenian terrorist groups is a good example of that.

GRAHAM: But with the activity down, why did the FBI change its guidelines to permit investigations on less evidence of violence than before?

WEBSTER: Well, I don't think the activity is down. I think the activity has been maintained at a level that is manageable, even if it's intolerable.

GRAHAM: But you were doing all right before you changed those guidelines. And some people think they threaten American's liberties.

WEBSTER: I don't think the guidelines, as amended, threaten American liberty at all, Fred. In fact, the statements in the new guidelines are quite clear that we are to operate within the framework of the Constitution and the Bill of Rights and respect for the First Amendment.

GRAHAM: Why'd you make the change?

WEBSTER: Well, guidelines are supposed to be flexible. The guidelines were put in place in 1976. We did operate under those guidelines, and I think reasonably effectively. A number of things happened along the way. I've mentioned some of the terrorist incidents that caused us concern.

GRAHAM: The Reagan Administration came in.

WEBSTER: The Reagan Administration came in. We did not ask for release from guidelines. I think guidelines are very important to a law enforcement agency to know, particularly in this sensitive area, that what they do is within the framework of the law.

HERMAN: Let me...

WEBSTER: But there were ambiguities there that needed to be cleared up. And so we took about two years to identify those.

HERMAN: Let me take you back to the terrorist groups for a moment. Has the FBI gotten any kind of a sniff of a terrorist group with any kind of nuclear capability inside the United States, exploding some kind of a nuclear device in the United States?

WEBSTER: We receive anywhere from one to two dozen nuclear threats a year. That is, from people calling in to say that they have a nuclear device. We treat all of those seriously. We treat them as if they were real. And we follow up on them. None, fortunately, have proved out to be real, with the possible exception of the incident a few years ago in Wilmington, North Carolina when the two barrels of low-grade uranium were stolen from a General Electric plant and recovered by the FBI.

That is, of course, the ultimate kind of terrorist threat.

HERMAN: Is there some terrorist organization you think is approaching that point, that capability?

WEBSTER: The technology to build a nuclear device for this purpose is already there. You can find it in the public library. Access to the explosive material, the fuel has been carefully controlled. We work very closely with the Nuclear Regulatory Agency, the NEST group, and others to identify the possibility of this kind of material coming into this country. From time to time, we've had that.

They don't really need it right now. The access to bazookas and other rocket-type material that's available in stockpiles all over the world gives a tremendous potential for terrorists bent on major destruction.

GRAHAM: You just announced a new unit within the FBI that's supposed to go out and rescue people in terrorist situations.

WEBSTER: Hostage Rescue Team. It's an enlarged SWAT team. But the emphasis is on saving lives. That's the motto,

to save lives. The capacity -- it's about 42 agents, who will work -- who will train half-time and work as special agents half-time, be accessible, particularly in this area, with so many diplomatic establishments here. But the function is to try to do it with a minimum loss of life to some -- in a major terrorist hostage situation.

GRAHAM: Judge, we don't have much time.

Are you going to spend your full ten years? You've stayed five.

WEBSTER: I take them one day at a time, and each are exciting days, and I'm glad to be here today.

BRAVER: Judge, an attorney for the House of Representatives, on another subject, the Environmental Protection Agency investigation, has had some critical things to say about the FBI's work. He said that you're conducting a powder-puff investigation of wrongdoing at the EPA. And so far we really haven't seen any results of your investigation.

Any comment?

WEBSTER: Well, you rarely do see the results of an investigation till the investigation is concluded. This has been a very searching and thorough investigation. Over 200 people have been interviewed. All leads have been run. We're reporting our information on a daily basis to the prosecutors in the Department of Justice. And when the investigation has been concluded, then there will be a statement as to what was found.

HERMAN: You're halfway through, as I think Fred said, your ten-year term. Have you gotten the FBI into a shape that convinces you that it is now comfortable that it can do what it needs to do, short, perhaps, of a little money in the budget? Do you have the weapon that you need at your disposal?

WEBSTER: I think the FBI has become increasingly effective. The convictions in organized crime cases across the country show the kind of work that we can do. We have the guidelines and the statutes and the oversight that permit us to use, where necessary, sensitive techniques, court-authorized wiretaps, undercover agents, informants, and so on.

The automation that has been badly needed is coming into play in the current budget, and I'm hopeful that that will take place.

Voice privacy, to keep everybody from listening to our radio communications in tight situations. These things are coming. The support...

HERMAN: Well, at that point, I'm afraid I have to cut you off. And thank you very much for coming.